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FM AMEMBASSY VALLETTA  
TO RUEHC/SECSTATE WASHDC PRIORITY 1415  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

S E C R E T VALLETTA 000089

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TAGS: [EFIN](#) [ETRD](#) [KNNP](#) [MNUC](#) [PARM](#) [PGOV](#) [PREL](#) [MT](#)  
SUBJECT: MALTA: FINANCE MINISTRY CONCERNED AT ATTEMPTS BY  
IRANIAN BANKS TO ACCESS EURO PAYMENT SYSTEM

Classified By: DCM Jason Davis, reasons 1.4 (b) and (d).

This is an action request. See para 4.

¶1. (S) Alan Caruana, Head of Secretariat at the Maltese Ministry of Finance, contacted DCM late March 5 to express concern at attempts by two Iranian banks, which he thought had branches in London and Germany, to "use Malta's payment system, via London." These were banks that did not have a branch license in Malta, he said, but were attempting to "access the payment system of our central bank."

¶2. (S) Asked if he could provide greater detail about the banks and the nature of the attempted activity, Caruana came back a half hour later with the information that London-based subsidiaries of "Persian International" and "Melli" banks were attempting to access the "Euro Payment System" of Malta's Central Bank. Maltese banking authorities were not comfortable with this, and were studying whether it was possible to just say "no thank you," but were concerned that being fellow EU members of the UK and (as of January of this year) in the Eurozone would "make it difficult for us," especially since the banks were apparently sanctioned by the U.S., but not by the UN or the EU.

¶3. (S) DCM told Caruana he would report this information back to Washington, which would likely have advice or a request for Malta. In the meantime, Caruana should urge his Central Bank colleagues to continue to hold off on allowing the Iranian banks to access Malta's euro payment system.

¶4. (S) Action Request: Post would welcome any guidance we could give Malta on this matter.

BORDONARO